

HOUSE BILL NO. 30

INTRODUCED BY C. SMITH

A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING A HEALTH CARE SHARING MINISTRY FROM REGULATION AS A DISABILITY INSURANCE COMPANY OR POLICY; DEFINING "HEALTH CARE SHARING MINISTRY"; AND AMENDING SECTION ~~33-22-101~~ 33-1-102, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

NEW SECTION. Section 1. Health care sharing ministry -- definition -- requirements. (1) "Health care sharing ministry" means a faith-based, nonprofit organization that:

- (a) is tax-exempt under the Internal Revenue Code;
- (b) limits its participants to those who are of a similar faith;
- (c) acts as a facilitator among participants who have financial or medical needs and matches those participants with other participants who have the ability to assist those with financial or medical needs in accordance with criteria established by the health care sharing ministry;
- (d) provides for the financial or medical needs of a participant through contributions from one participant to another; and
- (e) provides monetary amounts that participants may contribute with no assumption of risk or promise to pay among the participants and no assumption of risk or promise to pay by the health care sharing ministry to the participants.

(2) A health care sharing ministry shall:

- (a) provide a written monthly statement to all participants that lists the total dollar amount of qualified needs submitted to the health care sharing ministry, as well as the amount actually published or assigned to participants for their contribution; and
- (b) conduct an annual audit that is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and that is made available to the public upon request.

(3) (a) A health care sharing ministry shall provide the written disclaimer provided for in subsection (3)(b)

1 on all applications or distribute the disclaimer with any guideline materials distributed by or on behalf of the
2 ministry.

3 (b) The written disclaimer must read as follows: "Notice: The organization facilitating the sharing of
4 medical expenses is not an insurance company and its guidelines and plan of operation are not an insurance
5 policy. Participation in the organization or a subscription to any of its documents should never be considered to
6 be insurance. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no
7 other participant will be compelled by law to contribute toward your medical bills. Regardless of whether you
8 receive any payment for medical expenses or whether this organization continues to operate, you are always
9 personally responsible for the payment of your own medical bills."

10
11 **Section 2.** Section 33-1-102, MCA, is amended to read:

12 **"33-1-102. Compliance required -- exceptions -- health service corporations -- health maintenance**
13 **organizations -- governmental insurance programs -- service contracts.** (1) A person may not transact a
14 business of insurance in Montana or a business relative to a subject resident, located, or to be performed in
15 Montana without complying with the applicable provisions of this code.

16 (2) The provisions of this code do not apply with respect to:

17 (a) domestic farm mutual insurers as identified in chapter 4, except as stated in chapter 4;

18 (b) domestic benevolent associations as identified in chapter 6, except as stated in chapter 6; ~~and~~

19 (c) fraternal benefit societies, except as stated in chapter 7; and

20 (d) health care sharing ministries as provided for in [section 1].

21 (3) This code applies to health service corporations as prescribed in 33-30-102. The existence of the
22 corporations is governed by Title 35, chapter 2, and related sections of the Montana Code Annotated.

23 (4) This code does not apply to health maintenance organizations or to managed care community
24 networks, as defined in 53-6-702, to the extent that the existence and operations of those organizations are
25 governed by chapter 31 or to the extent that the existence and operations of those networks are governed by Title
26 53, chapter 6, part 7. The department of public health and human services is responsible to protect the interests
27 of consumers by providing complaint, appeal, and grievance procedures relating to managed care community
28 networks and health maintenance organizations under contract to provide services under Title 53, chapter 6.

29 (5) This code does not apply to workers' compensation insurance programs provided for in Title 39,
30 chapter 71, parts 21 and 23, and related sections.

(6) The department of public health and human services may limit the amount, scope, and duration of services for programs established under Title 53 that are provided under contract by entities subject to this title. The department of public health and human services may establish more restrictive eligibility requirements and fewer services than may be required by this title.

(7) Except as otherwise provided in Title 33, chapter 22, this code does not apply to the state employee group insurance program established in Title 2, chapter 18, part 8.

(8) This code does not apply to insurance funded through the state self-insurance reserve fund provided for in 2-9-202.

(9) (a) Except as otherwise provided in Title 33, chapter 22, this code does not apply to any arrangement, plan, or interlocal agreement between political subdivisions of this state in which the political subdivisions undertake to separately or jointly indemnify one another by way of a pooling, joint retention, deductible, or self-insurance plan.

(b) Except as otherwise provided in Title 33, chapter 22, this code does not apply to any arrangement, plan, or interlocal agreement between political subdivisions of this state or any arrangement, plan, or program of a single political subdivision of this state in which the political subdivision provides to its officers, elected officials, or employees disability insurance or life insurance through a self-funded program.

(10) (a) This code does not apply to the marketing of, sale of, offering for sale of, issuance of, making of, proposal to make, and administration of a service contract.

(b) A "service contract" means a contract or agreement for a separately stated consideration for a specific duration to perform the repair, replacement, or maintenance of property or to indemnify for the repair, replacement, or maintenance of property if an operational or structural failure is due to a defect in materials or manufacturing or to normal wear and tear, with or without an additional provision for incidental payment or indemnity under limited circumstances, including but not limited to towing, rental, and emergency road service. A service contract may provide for the repair, replacement, or maintenance of property for damage resulting from power surges or accidental damage from handling. A service contract does not include motor club service as defined in 61-12-301.

(11) (a) Subject to 33-18-201 and 33-18-242, this code does not apply to insurance for ambulance services sold by a county, city, or town or to insurance sold by a third party if the county, city, or town is liable for the financial risk under the contract with the third party as provided in 7-34-103.

(b) If the financial risk for ambulance service insurance is with an entity other than the county, city, or

1 town, the entity is subject to the provisions of this code."

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3 NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an
4 integral part of Title 33, and the provisions of Title 33 apply to [section 1].

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